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October 10, 2001

BY FACSIMILE AND PERSONAL DELIVERY
TO OFFICES OF THE COMMISSION

Honorable Karen Getman, Chairman
Commissioner Carol Scott
Commissioner Gordana Swanson
Commissioner Thomas Knox
Commissioner Sheridan Downey
Fair Political Practices Commission
428 J Street, Suite 620
Sacramento CA 95814

Re: Proposed Regulation 18540

Dear Chairman Getman and Commissioners:

This is to support Proposed Regulation 18540, which interprets Proposition 34, Government Code Section 35400, and provides for the allocation of particular expenditures for purposes of the "voluntary expenditure limits" applicable to candidates for state elective office.

The proposed regulation takes a common sense approach to this question. The approach permits the allocation of expenditures:

- For broadcast and campaign mailings, to the next election after the date of the expenditure.
- For telephone banks and related expenditures, to the next election after the date of the expenditure.

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- For professional services of consultants and managers, to the next election after the date of the expenditure, unless (decision 1 — which I support) a contract provides specifically for another allocation.
- For overhead and regular personnel and administrative costs, to the next election after the date of the expenditure.
- For fundraising, to the election for which the funds were raised or if not allocated in that way, to the next election after the date of the expenditure.
- To any undescribed expenditures, to the next election after the date of the expenditure.
- If expenditures would primarily influence an election other than provided for in the rules, a specific set of allocation options.

Decision 3, option 1, a, b and c are reasonable. I support the "may" language in options 1a and 1b, since the default option is to allocate it to the election following the expenditure. Option 2 also is reasonable, though more specific about what a contract must contain.

In general I prefer the more general, less specific provisions of option 1. I believe there is little opportunity for "game playing" with that standard, but there is some potential for long-after-the-fact disapproval of an allocation under option 2 by the FTB, and it would little serve any real enforcement purpose. The Commission accepts reasonable allocation methods in both the campaign and lobbying reporting/record-keeping contexts and this situation is no different.

- Finally, for contributions to other candidates and costs of campaign report preparation and filing fees, no allocation is required.

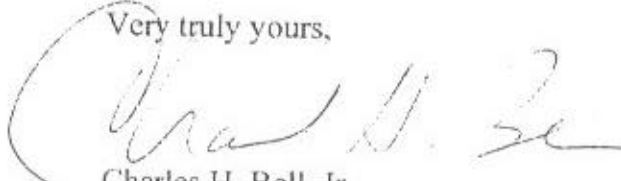
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I appreciate your staff's work on this and other regulatory proposals.

Thank you for the opportunity to comment on this proposed regulation. I will be present at the Commission's meeting on October 11, 2001 and can testify about this matter if necessary.

Very truly yours,



Charles H. Bell, Jr.

CHB:sa